



General Assembly

Amendment

January Session, 2005

LCO No. 5011

SB0094605011SD0

Offered by:

SEN. COLAPIETRO, 31st Dist.

SEN. GUNTHER, 21st Dist.

To: Senate Bill No. 946

File No. 19

Cal. No. 57

"AN ACT CONCERNING THE SOLICITATION OF CHARITABLE FUNDS ACT."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Section 21a-190b of the general statutes is repealed and
4 the following is substituted in lieu thereof (*Effective October 1, 2005*):

5 Every charitable organization not exempted by section 21a-190d
6 shall register with the department prior to conducting any solicitation
7 or prior to having any solicitation conducted on its behalf by others.
8 Application for registration shall be made on forms prescribed by the
9 department and shall include payment of a fee of [twenty] two
10 hundred fifty dollars. Two authorized officers of the organization shall
11 sign the registration form and shall certify that the statements therein
12 are true and correct to the best of their knowledge. A chapter, branch
13 or affiliate in this state of a registered parent organization shall not be
14 required to register provided the principal office of the parent

15 organization is located in this state and provided the parent
16 organization files a consolidated annual report for itself and its
17 chapter, branch or affiliate.

18 Sec. 2. Subsection (a) of section 21a-190c of the general statutes is
19 repealed and the following is substituted in lieu thereof (*Effective*
20 *October 1, 2005*):

21 (a) Every charitable organization required to register pursuant to
22 section 21a-190b, as amended by this act, shall annually file with the
23 department a report for its most recently completed fiscal year, which
24 report shall include (1) a financial statement, (2) an itemized list of (A)
25 all funds raised with the assistance of any fund-raising counsel or paid
26 solicitor, or both, and (B) the percentage of such funds that any such
27 fund-raising counsel or paid solicitor retained or was paid, and (3)
28 such other information as the commissioner may require. Such
29 charitable organization shall file such report not more than five
30 months following the close of its fiscal year, which report shall be
31 accompanied by a fee of twenty-five dollars and shall be signed by two
32 authorized officers of the organization, one of whom shall be the chief
33 fiscal officer of the organization. The information contained in such
34 report shall be available to the public. Such officers shall certify that
35 such report is true and correct to the best of their knowledge. The
36 commissioner shall prescribe the form of the report and may prescribe
37 standards for its completion. The commissioner may accept, under
38 such conditions as said commissioner may prescribe, a copy or
39 duplicate original of financial statements, reports or returns filed by
40 the charitable organization with the Internal Revenue Service or
41 another state having requirements similar to the provisions of sections
42 21a-190a to 21a-190l, inclusive, as amended by this act.

43 Sec. 3. Section 21a-190f of the general statutes is repealed and the
44 following is substituted in lieu thereof (*Effective October 1, 2005*):

45 (a) No person shall act as a paid solicitor unless [he] such person has
46 first registered with the department. Applications for registration and

47 for the renewal of a registration shall be in writing, under oath, in the
48 form prescribed by the department and shall be accompanied by a fee
49 in the amount of one [hundred twenty] thousand dollars. The
50 application shall contain such information as the department shall
51 require. Each registration shall be valid for one year and may be
52 renewed for additional one-year periods.

53 (b) An applicant for registration or for a renewal of registration as a
54 paid solicitor shall, at the time of making such application, file with
55 and have approved by the department a bond, in which the applicant
56 shall be the principal obligor in the sum of twenty thousand dollars,
57 with one or more responsible sureties whose liability in the aggregate
58 as such sureties shall be no less than such sum. The paid solicitor shall
59 maintain the bond in effect as long as the registration is in effect. The
60 bond shall run to the state and to any person who may have a cause of
61 action against the principal obligor of the bond for any liabilities
62 resulting from the obligor's conduct of any activities subject to sections
63 21a-190a to 21a-190l, inclusive, as amended by this act, or arising out of
64 a violation of said sections or any regulation adopted pursuant to said
65 sections.

66 (c) No less than twenty days prior to the commencement of each
67 solicitation campaign, a paid solicitor shall file with the department a
68 copy of the contract described in subsection (d) of this section. [and
69 shall] Immediately prior to the start of the solicitation event or
70 campaign that is the subject of such contract, the department shall
71 place an advertisement in a newspaper having a substantial circulation
72 in the town or towns in which the solicitation event or campaign is to
73 occur. Such advertisement shall describe the terms of the contract
74 between the paid solicitor and the charitable organization and shall
75 include the percentage of the raised funds to be retained by the paid
76 solicitor. The cost of such advertisement shall be paid to the
77 department by the paid solicitor in the form of a fee at the time such
78 contract is filed with the department. The paid solicitor shall also file a
79 completed solicitation notice on forms prescribed by the department.
80 A solicitation notice shall be in writing and under oath, and shall

81 include a description of the solicitation event or campaign, the location
82 and telephone number from which the solicitation is to be conducted,
83 the names and residence addresses of all employees, agents or other
84 persons however styled who are to solicit during such campaign and
85 the account number and location of all bank accounts where receipts
86 from such campaign are to be deposited. Copies of campaign
87 solicitation literature, including the text of any solicitation to be made
88 orally, shall be attached to the solicitation notice. The charitable
89 organization on whose behalf the paid solicitor is acting shall certify
90 that the solicitation notice and accompanying material are true and
91 complete.

92 (d) A contract between a paid solicitor and a charitable organization
93 shall be in writing, shall clearly state the respective obligations of the
94 paid solicitor and the charitable organization and shall state the
95 minimum amount [which] that the charitable organization shall
96 receive as a result of the solicitation campaign, which minimum
97 amount shall be stated as a percentage of the gross revenue. Such
98 minimum amount shall not include any amount [which] that the
99 charitable organization is to pay as expenses of the solicitation
100 campaign.

101 (e) A paid solicitor shall, prior to orally requesting a contribution,
102 and at the same time at which a written request for a contribution is
103 made, clearly and conspicuously disclose at the point of solicitation
104 [his] such solicitor's name as on file with the department, the fact that
105 [he] such solicitor is a paid solicitor and the percentage of the gross
106 revenue which the charitable organization shall receive as identified in
107 subsection (d) of this section.

108 (f) A paid solicitor shall, in the case of a solicitation campaign
109 conducted orally, whether by telephone or otherwise, send a written
110 confirmation to each person who has pledged to contribute, no more
111 than five days after such person has been solicited, which confirmation
112 shall include a clear and conspicuous disclosure of the information
113 required by subsection (e) of this section.

114 (g) A paid solicitor shall not represent that any part of the
115 contributions received will be given or donated to any charitable
116 organization unless such organization has consented in writing to the
117 use of its name, prior to the solicitation. Such written consent, if given,
118 shall be signed by two authorized officers, directors or trustees of the
119 charitable organization.

120 (h) No paid solicitor [shall] may represent that tickets to an event
121 are to be donated for use by another, unless the paid solicitor has first
122 obtained a commitment, in writing, from a charitable organization
123 stating that it will accept donated tickets and specifying the number of
124 tickets which it is willing to accept and provided no more
125 contributions for donated tickets shall be solicited than the number of
126 ticket commitments received from the charitable organization.

127 (i) A paid solicitor shall require any person [he] such solicitor
128 directly or indirectly employs, procures or engages to solicit to comply
129 with the provisions of subsections (e) to (h), inclusive, of this section.

130 (j) A paid solicitor shall file a financial report for the campaign with
131 the department no more than ninety days after a solicitation campaign
132 has been completed, and on the anniversary of the commencement of
133 any solicitation campaign which lasts more than one year. The
134 financial report shall include gross revenue and an itemization of all
135 expenditures incurred. The report shall be completed on a form
136 prescribed by the department. An authorized official of the paid
137 solicitor and two authorized officials of the charitable organization
138 shall sign such report and they shall certify, under oath, that such
139 report is true and complete to the best of their knowledge.

140 (k) A paid solicitor shall maintain during each solicitation campaign
141 and for not less than three years after the completion of each such
142 campaign the following records, which shall be available to the
143 department for inspection upon request: (1) The name and address of
144 each contributor and the date and amount of the contribution,
145 provided the department shall not disclose this information except to

146 the extent necessary for investigative or law enforcement purposes; (2)
147 the name and residence of each employee, agent or other person
148 involved in the solicitation; and (3) records of all income received and
149 expenses incurred in the course of the solicitation campaign.

150 (l) If a paid solicitor sells tickets to an event and represents that
151 tickets will be donated for use by another, the paid solicitor shall
152 maintain, for not less than three years after the completion of such
153 event, the following records, which shall be available to the
154 department for inspection upon request: (1) The name and address of
155 contributors donating tickets and the number of tickets donated by
156 each contributor; and (2) the name and address of all organizations
157 receiving donated tickets for use by others, including the number of
158 tickets received by each organization.

159 (m) All funds collected by the paid solicitor shall be deposited in a
160 bank account. The bank account shall be in the name of the charitable
161 organization with whom the paid solicitor has contracted and the
162 charitable organization shall have sole or joint control of the account.

163 (n) Any material change in any information filed with the
164 department pursuant to this section shall be reported in writing by the
165 paid solicitor to the department not more than seven days after such
166 change occurs.

167 (o) No person may act as a paid solicitor if such person, any officer
168 or director thereof, any person with a controlling interest therein, or
169 any person the paid solicitor employs, engages or procures to solicit
170 for compensation, has been convicted by a court of any state or the
171 United States of any felony, or of any misdemeanor involving
172 dishonesty or arising from the conduct of a solicitation for a charitable
173 organization or purpose. Any denial, suspension or revocation of the
174 registration of a paid solicitor based on a violation of this subsection
175 shall be made in accordance with the provisions of section 46a-80.

176 Sec. 4. Section 21a-190k of the general statutes is repealed and the
177 following is substituted in lieu thereof (*Effective October 1, 2005*):

178 The commissioner may adopt regulations, in accordance with the
179 provisions of chapter 54, in order to carry out and enforce the
180 provisions of sections 21a-190a to 21a-190l, inclusive, as amended by
181 this act."

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2005</i>	21a-190b
Sec. 2	<i>October 1, 2005</i>	21a-190c(a)
Sec. 3	<i>October 1, 2005</i>	21a-190f
Sec. 4	<i>October 1, 2005</i>	21a-190k